

PG&E HEARING EXHIBIT PGE-74

A.20-04-023

PG&E'S SECURITIZATION 2020

Mark Ellis Workpaper Changes (Nov. 10, 2020)

## Ellis workpaper changes, by tab

November 10, 2020

Tab	Change
F2	Updated inflation rate to October 2020 monthly average (1.86%)
F3	Changed basis for PG&E electric/gas share estimate from EBITDA to net income
CMA	Updated 30-year return forecast calculations, as described in response to DR2-Q4
F7-9 T1 AppB	Results updated based on revised 30-year return forecasts
T2	Results updated based on revised 30-year return forecasts
T3 F12	Results updated based on all changes to model
F13	Results updated based on all changes to model
Rtns	Increased simulation runs from Callan's 2,000 to 10,380 <sup>1</sup> to improve model precision, particularly the calculation of Initial Shareholder Contribution to meet target probability of shortfall (Figure 13).

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<sup>1</sup> Why 10,380 total runs?

- Started with 10,000 additional runs. Observed 1,326 instances of one or more repeated figures (to 13 decimal places) in the same time period in consecutive runs for broad US equity and fixed income yields.
- The cause wasn't clear – Crystal Ball, Callan's model, computer? – but these runs did not appear random.
- Reviewed original 2,000 runs and observed same issue (294 instances).
- Removing all repeats from both data sets left 10,380 total runs.